GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1930
ANSWERED ON:15.03.2002
AUCTION OF CONFISCATED DIAMONDS
JAYASHREE BANERJEE

Will the Minister of FINANCE be pleased to state:

(a) whether the confiscated diamonds and other precious stones are being auctioned in big cities;

(b) if so, the procedure being followed in this regard; and

(c) the value of such goods which have been disposed off during last three years, year- wise?

Answer

MINISTER OF STATE (REVENUE) IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Confiscated diamonds and other precious stones are disposed of by public auction through Commissioner of Customs (Preventive), Mumbai.

(b): The salient features of the procedure being followed in this regard are as follows:

(i) Wide-spread publicity both in India & abroad are given to get the best possible price.

(ii) The services of reputed auctioneering firm is taken to conduct the auction.

(iii) An entry fee/participation fee of Rs. 1 lakh is charged from each prospective bidder.

(iv) The 'lots' of diamonds are allowed to be examined by the prospective bidders.

(v) Reserve price is fixed by a Pricing Committee, made with theapproval of Chief Commissioner of Customs, Mumbai taking into consideration the value of seizure, escalation of value over the years, present market demand and existing restrictions in free import of these goods.

(vi) The highest bidder is required to deposit 25% of the value of the bid as earnest money on the spot. He is required to pay the balance amount and take delivery of the goods normally within 3 days of the receipt of the communication regarding acceptance of the bid.

(c): The value of confiscated diamonds and precious stones disposed of during last three years, year-wise is as follows :

Year	Disposal value (Rs. in crores)
1999-2000	NIL
2000-2001	1.34
2001-2002(upto Feb., 2002)	1.70